

California State Library
California Civil Liberties Public Education Program

QUARTERLY FISCAL REPORT

1. General Information

- a. Accounting system. The grantee is responsible for providing an accounting system that conforms to generally accepted accounting principles with established procedures. The system must support responsible project management and facilitate the submission of timely and accurate financial reports. Records of CCLPEP grants and grant years must be separately maintained and be readily available. The system must provide supporting documentation to substantiate allowable program costs throughout the life of the project.
- b. Retention of records. Financial records for CCLPEP projects must be retained by the grantee for a period of three (3) years from the date of the project's completion for auditing purposes.
- c. Equipment. The minimum value for items entered as Equipment is \$5,000. Approved items under \$5,000 are considered small equipment and are reported under operating expenses.
- d. Exceptions. Any exception to standard reporting requirements, for projects of a special nature, will be made by the State Librarian. The California State Library's Program Director can provide assistance in interpreting instructions, and additional information is available from the California State Library Budget Office. The grantee is responsible for knowledge of and compliance with all CCLPEP reporting instructions.
- e. Early close. Evaluation is required for all projects, as is final fiscal and narrative reporting. In some projects, a project publication or procedure manual may be required at the end of the project. Project staff may be looking for new assignments, or leaving for new positions. All of this puts stress upon staff in the final days of a project, and tends to compress a heavier workload into the closing period. Within the program of the project, approved by the State Librarian in the award, the grantee may wish to consider an early close of project activities to provide adequate time for the necessary final requirements. This might be particularly true in projects involving public services not otherwise continued by the jurisdiction. If an early project close is considered, the grantee should discuss this with the California State Library's Program Director for advice and approval. In all cases, the project is expected to try to achieve its approved objectives and must comply with the June 30, 2007 final date for expenditure or encumbrance of funds, as well as the dates for liquidation and final reporting.

2. Budget changes. The grantee is given the opportunity during the period of the project to respond to local or unforeseen developments by adjusting the categories of the approved budget.
 - a. Adjustments within the grant budget
 - o Any budget changes needed must be authorized in advance with the California State Library's Program Director. The changes may or may not be found appropriate. The grantee wishing to request such a modification must file the Grant Award Modification (CCLPEP 4) form, according to instructions. *The change is subject to approval.* Any approved budget changes must be noted on the next quarterly financial report.
3. Expenditures and encumbrances. Expenditures and encumbrances are shown together on the Quarterly Report Financial Statement. On this report any valid encumbrance should be shown in the expenditure/encumbrance column. Encumbrances are shown separately only if they are carried beyond the close of the project period (June 30, 2007).
 - a. Under state regulations, an encumbrance or obligation is defined as a binding written commitment to do such as the following action in the future:
 - o Acquire real or personal property.
 - o Obtain personal services by a contractor who is not an employee of the State or grantee.
 - o Obtain the performance of work other than personal services.
 - b. Encumbrances are not allowable beyond the June 30, 2007 project closing date, with the following exception:
 - o Those made by the fiscal authority to accrue funds from which to pay bills created before June 30, 2007.
 - c. Examples of encumbrances, allowed and not allowed, at the close of a project, June 30, 2007:
 - o Books ordered before June 30, 2007 may be received and invoices paid until the close of the liquidation period (September 15, 2007), as funds are accrued to pay these bills.
 - o A telephone bill may be paid after June 30, 2007, but additional new calls may not be covered with grant funds.
 - o Personal services contracts or other work arrangements may not be extended beyond June 30, 2007 by encumbrance, because work would be performed beyond the close of the project.

- d. The final 25% grant award is payable only if the grant recipient fulfills all project reporting requirements and returns all unspent grant funds by the time specified in the grant program. Failure to provide timely reports is a serious breach of a grant recipient's administrative duty under the award. This may result in audit exceptions against the State Library and could cause the loss of CCLPEP funds. The State Librarian may extend the final deadline for good cause. Request for extension beyond the final deadline of September 15, 2007 must be received in writing *at least* 30 days prior to that deadline at the State Librarian's office. The final 25% grant award is the reimbursable part of the award (a third claim) for reporting and accounting purposes. It should NOT be treated as an outstanding encumbrance or as unspent funds in the final fiscal or liquidation report. The 25% amount should be reflected in the total shown in Col. 6 as expended or encumbered at the end of the project period (June 30, 2007).
- e. Projects have 60 days following termination of the grant award period to liquidate funds obligated or encumbered. The report of liquidation (on form CCLPEP 8) is due within 24 days.

4. Project closing timetable:

- a. All state funded program activity ceases on June 30, 2007.
- b. All services must be performed and funds must be expended or encumbered by June 30, 2007, or returned. Prior to the last weeks of the project, *the grantee should discuss any planned final encumbrances with the California State Library Program Director to ensure that the encumbrances are appropriate.*
- c. Fourth quarter financial statement is due by July 31, 2007.
- d. Final Narrative Report (CCLPEP 9) is due by July 31, 2007, for all projects. This replaces the fourth quarter narrative report.
- e. Any project funds not expended or encumbered by June 30, 2007, must be returned to the California State Library by September 15, 2007. A check payable to the California State Library must be remitted. The check must bear reference to CCLPEP and the grant award number of the project for which funds are being returned.
- f. Liquidation of encumbrances report is submitted on the Quarterly Report Financial Statement (CCLPEP 8), due August 30, 2007. Any funds not liquidated are to be returned with the report.

5. Completing the form CCLPEP 8, page 1.

- a. The columns for reporting are:
 - (1) Approved Budget. Enter total amount of budgeted funds for the grant year as approved by the State Librarian and/or as changed by an approved grant award modification.
 - (2) through (5) Quarterly Expenditures/Encumbrances. For the purposes of this report, include encumbrances made during the program year together with expenditures in columns 2-5 for each three-month period. The number of reports required is dependent on the approved project period. Note the display of quarterly periods in the top left corner of the form: check the appropriate quarter for each report, and enter amounts in the corresponding column.

(6) For each row containing a budget item, add the entries for each quarter across columns 2, 3, 4, and 5 and enter the result in column 6, updating the total each successive quarter.

(7) Outstanding Encumbrances. This column is used only at the close of the funded project period, the 4th quarter report. Enter the total of all encumbrances outstanding after June 30, 2007, i.e., expenses which have not at the time of this report been liquidated.

(8) Liquidation. If outstanding encumbrances are identified in the final report, a final liquidation report is required. This column is used for that submission, to report liquidation of encumbrances or obligations which were shown in the fourth quarter report.

(9) Unexpended/Unencumbered Balance. Enter in each quarter's report, the unexpended or unencumbered balance of CCLPEP funds awarded. (Column (1) minus column (6) equals column (9)). Only "0" may appear in this column in a separate liquidation report if one is submitted. These funds will be returned to the California State Library, according to instructions provided.

b. The rows for reporting are:

a. Salaries and benefits. Total salaries and benefits for all project staff, except staff under contract. (Funds for contract staff are budgeted under operating expenses, row c.)

b. Materials. Books and audiovisual formats, microforms, and computer software, etc.

c. Operating expenses. Contract services including data base, reference services, publicity, maintenance of equipment and vehicles, building equipment lease and rental. Also, include expense for employees or consultants on contract. Other operating expenses: office and supplies; communications costs; small equipment (i.e., costing less than \$5,000); duplication, travel; etc.

d. Equipment. Any item which costs over \$5,000.00 per unit.

e. Indirect costs. Administrative charges or indirect costs as approved in the State Librarian's award letter.

6. Send each Quarterly Financial Statement **by the due date in two (2) copies**, one with original signatures, to:

**California State Library
Budget Office - CCLPEP
P.O. Box 942837
Sacramento, CA 94237-0001**

7. If other than U.S. Postal Service is used, the street address is: 1029 J Street, Suite 400, Sacramento, CA 95814.

Thank you for your cooperation.